GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1136
ANSWERED ON:24.10.2008
ADB ASSISTANCE
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

(a) Whether India is going to strengthen rural credit structure and bring reforms in the co-operative sector with the financial assistance from the Asian Development Bank (ADB);

(b) If so, the details thereof;

(c) The manner in which the States are likely to be benefited therefrom, Statewise;

(d) Whether any plans have been prepared by the Government for State-specific programmes or projects; and

(e) If so, the details thereof?

Answer

MINISTER OF STATE FOR FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Yes, Sir.

(b) The Government of India is strengthening the Rural Short Term Cooperative Credit Structure (STCCS) and introducing reforms in the cooperative sector through the implementation of a Revival Package in consultation with the State Governments.

The Revival Package has three components
(i) recapitalization of STCCS;
(ii) capacity building training and computerization and
(iii)legal reforms by the State Governments.Financial assistance would be available to the participating States subject to legal and institutional reforms. Government of India is availing of a financial assistance of US$ one billion from ADB through its OCR lending for implementing the Revival Package. The ADB is providing the financial assistance in four tranches. The first tranche of US$ 250 million has been drawn so far.

(c),(d)&(e): Five States,i.e. Andhra Pradesh, Bihar, MP, Maharashtra and Rajasthan are covered. No State specific allocations have been made for State specific programme projects.The assistance availed from ADB shall be utilized for meeting the needs of the individual States based on special audit,number of units and the progress made in implementation of the Revival Package by these States.